

Service Date: July 12, 2001

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF Fairmont Hot Springs)	UTILITY DIVISION
Resort Application for Initial Rates for Sewer)	DOCKET NO. D2001.12.173
Utility.)	ORDER NO. 6407a
)	

* * * * *

INTERIM ORDER

History

On December 24, 2001, Fairmont Hot Springs Resort (Fairmont) filed an application with the Montana Public Service Commission (PSC) requesting authority to establish initial tariffs and rate structure for the provision of sewer service to the customers of Fairmont. Fairmont requested rates designed to collect total annual revenues of \$51,195.

The present owners of Fairmont purchased the ownership interest in the sewer facilities and other properties. Fairmont continued to provide sewer services to subsequent purchasers of properties. Fairmont has never charged any party for any amount for sewer services. The water utility operated by Fairmont became regulated by the PSC on May 9, 2000.

Montana Consumer Counsel (MCC), Fairmont Estates Condominium Association (FECA), Fairmont Homeowners Association (FHA), and Daniel T. Berube (DTB) intervened in the docket.

A settlement agreement was reached on July 1, 2002. Fairmont requested the suspension of the procedural schedule at that time.

Terms of Settlement Agreement

As part of the agreement, FECA, DTB, MCC and FHA are aware that Fairmont will apply for permanent rates based upon metered water usage data after there is one years' worth of data collected. This should occur by the end of April 2003.

The agreed upon interim monthly rate for each class of sewer user is:

Residential	\$18.50
Chalets	\$18.50
Condos	\$442.23
Hotel	\$621.12
RV Park	\$405.36

These interim rates will result in total annual revenues of \$25,395.

The parties agreed that as soon as sufficient data is available from the use of meters on the water system, Fairmont will re-apply for a determination of a permanent rate using the metered data as a substantial factor in the final rate formula.

Conclusions of Law

Fairmont provides public sewer service within the state of Montana, and as such is a "public utility" within the meaning of § 69-3-101, MCA

The Montana Public Service Commission properly exercises jurisdiction over Fairmont's rates and charges pursuant to Title 69, Chapter 3, MCA.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

The Settlement Agreement filed by Fairmont and the Intervening parties are approved with accordance with this Order.

Fairmont will abide by all Terms of the Settlement Agreement in this Interim Order. All rates and charges will comply with the Settlement Agreement signed by the parties.

Fairmont must file tariffs in compliance with the Terms of Settlement outlined in this Interim Order

This Final Order is effective for service on and after July 9, 2002.

DONE IN OPEN SESSION at Helena, Montana on this 9th day of July, by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.